

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 953 - HB 1261

February 19, 2019

SUMMARY OF BILL: Requires the Department of Education (DOE) to establish a process by which the Department will reimburse the guardian of an economically disadvantaged student for fees and costs associated with taking one advanced placement (AP) examination that are not otherwise paid, subsidized, or reimbursed by any other entity or program.

ESTIMATED FISCAL IMPACT:

Increases State Expenditure — \$797,000/FY19-20

Exceeds \$797,000/FY20-21 and Subsequent Years

Assumptions:

- The AP 2018 cohort report shows 48,817 students took an AP exam during high school.
- The standard fee for each AP exam is \$94.00 per exam. Economically disadvantaged students have a reduced exam cost of \$62.00 per exam.
- The AP cohort report shows that a minimum of 23.4 percent of AP test takers met the requirements for income eligibility for receiving the discounted exam price. As a result, approximately 11,423 (48,817 x 23.4%) economically disadvantaged students are estimated to be eligible for taking the exam at the discounted price of \$62 under current law.
- It is estimated that there will be a 10 percent increase in the number of exams taken each year by economically disadvantaged students for which respective guardians will receive reimbursement. Therefore, a total of 12,565 discounted exams (11,423 exams x 110%) will be administered in FY19-20.
- The increase in state expenditures for FY19-20 is estimated to be \$779,030 (12,565 x \$62).
- A temporary position would be required within DOE in order to carry out orders and reimbursements during the spring test administration months for the 12,565 transactions.
- The recurring increase in state expenditures associated with the temporary position for three months is estimated to be \$18,012 (\$12,885 salary + \$2,627 benefits + \$2,500 other).
- The total increase in state expenditures for FY19-20 is estimated to be \$797,042 (\$779,030 + \$18,012).

- The number of participating students is expected to increase each year; therefore, the recurring increase in state expenditures beginning in FY20-21 is estimated to exceed \$797,042.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lam